

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

ANIMAL LEGAL DEFENSE FUND, et al.,
Plaintiffs,
v.
ROBERT F. KENNEDY JR., et al.,
Defendants,
and
ELANCO ANIMAL HEALTH,
Intervenor-Defendant.

Case No. 20-cv-03703-RS

ORDER GRANTING DEFENDANTS' MOTIONS FOR SUMMARY JUDGMENT

I. INTRODUCTION

Plaintiffs in this action are three advocacy groups: Animal Legal Defense Fund, Food & Water Watch, and Food Animal Concerns Trust. They challenge the decision of defendant Federal Drug Administration (“FDA”) to approve the animal drug Exuperior for use in cattle feedlots. Elanco Health, the manufacturer of Exuperior, has intervened as an additional defendant.

Exterior is touted to reduce the amount of ammonia gas released from the waste of cattle raised for beef. Plaintiffs contend Exterior has not been shown to be safe and effective, and that FDA did not adequately consider the drug's environmental impacts. Plaintiffs assert claims under the Administrative Procedures Act ("APA"), 5 U.S.C. § 551, *et seq.* for alleged underlying failures to comply with the Federal Food, Drug, and Cosmetic Act ("FDCA"), 21 U.S.C. § 301 *et*

1 *seq.*, and the National Environmental Policy Act (“NEPA”), 42 U.S.C. § 4321 *et seq.*¹

2 The parties bring cross-motions for summary judgment. FDA and Elanco are separately
3 represented and filed separate briefs, but their arguments are substantially similar. For the reasons
4 set out below, the motions of FDA and Elanco will be granted, and plaintiffs’ motion will be
5 denied.

6

7 II. BACKGROUND

8 The product in dispute is “Experior,” which is a trade name. Its active ingredient is a drug
9 called lubabegron, which was originally researched as a possible treatment for human obesity. It
10 was subsequently investigated as an animal drug to improve feed efficiency in cows –*i.e.*, to
11 promote weight gain with less food. Then it was proposed to reduce ammonia and greenhouse
12 gases from cows. Elanco eventually abandoned any additional claims and now asserts an
13 environmental benefit only from reductions in the amounts of ammonia released from cow
14 manure.²

15 Experior is theorized to function by increasing the percentage of dietary nitrogen that cows
16 utilize, rather than excrete. Nitrogen functions as a form of “crude protein,” an important nutrient
17 in cattle feed. Only 10-30% of dietary nitrogen, however, is “utilized” by a cow, *i.e.*, deposited in
18 their tissue as protein; the remainder is excreted through urine and feces, where it converts to
19 ammonia gas—which is a combination of nitrogen and hydrogen. Thus, the theory is that if the
20 cows utilize more, and excrete less, of the nitrogen in their diet, less ammonia will be released
21 from their manure.

22

23 ¹ The complaint includes a claim for relief based on the FDA’s denial of a stay petition plaintiffs
24 filed under 21 C.F.R. § 10.35. At the hearing on the present motions, the parties agreed that claim
need not be reached.

25 ² The subtext to plaintiffs’ claims is their belief that the negative environmental consequences of
26 large-scale industrial beef production should be addressed by means other than attempting to add
27 drugs to cattle feed. However intuitively persuasive that argument might be, the court’s role in
assessing claims under the APA does not include making such policy determinations.

Experior is a “ β -adrenergic drug.” Such drugs act on β -adrenoceptors, which are cell surface receptors widely distributed throughout the body that mediate the activity of cells. There are different types of adrenoceptors. Within the β type, there are at least 3 subtypes: β_1 , β_2 , and β_3 . β -agonist drugs “agonize” (i.e., stimulate or activate) β -adrenoceptors. Conversely, β -antagonist drugs “antagonize” (i.e., inhibit or block) them.

6 Plaintiffs contend it is well known that β -adrenergic *agonist* drugs are linked to
7 significantly higher mortality rates in cows due to a host of fatal respiratory, cardiac, and digestive
8 issues, in addition to significant behavioral issues that make animals more likely to be abused and
9 suffer in ways that directly impact food safety and worker health. Thus, plaintiffs contend, Elanco
10 found it “of critical importance” that Exuperior not be pharmacologically classified as a β -agonist,
11 “to differentiate their product” from other approved β -agonists. After initially warning that
12 additional studies were needed to determine if Exuperior is an β -agonist or β -antagonist, FDA
13 ultimately recommended it be classified as a “ β -agonist/antagonist,” meaning it stimulates some β -
14 receptors and suppresses others.

III. LEGAL STANDARDS

17 Because this is an APA case, it is not an inquiry under Rule 56 of the Federal Rules of
18 Civil Procedure as to whether there are disputed factual issues for trial. Rather, this is a review on
19 the merits under the APA of the validity of FDA's approval of Experior. *See, Klamath Siskiyou*
20 *Wildlands Ctr.*, 962 F.Supp.2d 1230, 1233; *see also Sierra Club v. Mainella*, 459 F. Supp.2d 76,
21 89 (D.D.C. 2006) ("[T]he standard set forth in Rule 56(c) does not apply [in an APA case] because
22 of the limited role of a court in reviewing the administrative record."); *McCrary v. Gutierrez*, 495
23 F.Supp.2d 1038, 1041 (N.D. Cal. 2007) (judicial review of agency action under the APA limited
24 to the administrative record).³

³ Defendants’ “renewed” challenge to plaintiffs’ standing is governed by Rule 56 standards. As will appear, however, defendants have not presented anything to undermine the declarations previously found to support standing.

1 “Under the APA, it is the role of the agency to resolve factual issues to arrive at a decision
2 that is supported by the administrative record, whereas ‘the function of the district court is to
3 determine whether or not as a matter of law the evidence in the administrative record permitted the
4 agency to make the decision it did.’ ” *Sierra Club*, 459 F.Supp.2d at 90 (quoting *Occidental Eng'g
5 Co. v. INS*, 753 F.2d 766, 769–70 (9th Cir. 1985)). In other words, “the district court acts like an
6 appellate court, and the ‘entire case’ is ‘a question of law.’ ” *Nat'l Law Ctr. on Homelessness &
7 Poverty v. U.S. Dep't of Veterans Affairs*, 842 F.Supp.2d 127, 130 (D.D.C. 2012) (quoting *Amer.
8 Bioscience, Inc. v. Thompson*, 269 F.3d 1077, 1083 (D.C. Cir. 2001)). “Summary judgment thus
9 serves as the mechanism for deciding, as a matter of law, whether the agency action is supported
10 by the administrative record and otherwise consistent with the APA standard of review.”
11 *Stuttering Found. of Am. v. Springer*, 498 F.Supp.2d 203, 207 (D.D.C. 2007).

12 FDA’s underlying decision was governed by its obligation under the FDCA to determine
13 that a new animal drug is both safe and effective before approving it. *Rhone-Poulenc, Inc., Hess &
14 Clark Div. v. Food & Drug Admin.*, 636 F.2d 750, 752 (D.C. Cir. 1980). The drug sponsor—here,
15 Elanco—bears the burden of demonstrating that (a) the drug is safe and effective for the target
16 animals; (b) food products from the target animals will be safe for human consumption; and (c)
17 the manufacture and use of the drug will not harm the environment. 21 U.S.C. § 360b(b)(1); 21
18 C.F.R. § 10.25(a)(1). To demonstrate safety, the drug sponsor must conduct all tests necessary to
19 ensure the drug will be safe for humans, animals, and the environment when used as labeled. *Am.
20 Cyanamid Co. v. Young*, 770 F.2d 1213, 1218 (D.C. Cir. 1985) (citing 21 U.S.C. § 360b(d)(1)(A),
21 (E), (3)). To demonstrate effectiveness, the drug sponsor must conduct “adequate and well-
22 controlled investigations, including field investigation,” that provide the evidence necessary for
23 FDA to conclude “the drug has the effect it purports to have.” *Id.*; see also 21 C.F.R. § 514.4.

24 Once the sponsor has put forth its application for approval, FDA “shall” refuse approval
25 where (a) the drug application does not show “whether or not such drug is safe,” (b) the evidence
26 shows the drug is actually unsafe, (c) there is insufficient information to support a drug’s safety, or
27 (d) the application lacks “substantial evidence” to show that a drug is effective. 21 U.S.C. §

1 360b(d)(1). “If any one of § 360b(d)’s requirements is not met, FDA’s charge is to reject the new
2 animal drug application.” *Am. Cyanamid Co.*, 770 F.2d at 1218 (citing *Masti-Kure Prods. Co., Inc. v. Califano*, 587 F.2d 1099, 1104 (D.C. Cir. 1978)).
3
4

5 **IV. DISCUSSION**

6 **A. Standing**

7 At the outset of this litigation, FDA and Elanco both brought motions to dismiss
8 challenging plaintiffs’ standing. The plaintiff organizations disavowed any attempt to claim
9 standing for themselves as entities (so-called “organizational standing”), arguing instead that they
10 have “associational standing” under the rule that an organization may have standing if it can show
11 “that its members, or anyone of them, are suffering immediate or threatened injury as a result of
12 the challenged action of the sort that would make out a justiciable case had the members
13 themselves brought suit. . . .” *Hunt v. Wash. State Apple Growers Ass’n*, 432 U.S. 333, 342
14 (1977).

15 The order denying the motions to dismiss rejected defendants’ arguments that plaintiffs’
16 individual members have no injury-in-fact and cannot show causation or redressability. In their
17 respective opening briefs for the present motions, FDA and Elanco merely referred to and
18 incorporated their prior arguments about standing. On reply, however, defendants expanded their
19 arguments, insisting that even if plaintiffs’ showing on standing was sufficient at the pleading
20 stage, it was incumbent on them to present additional evidence to support their claims of injury-in-
21 fact.

22 This is not a case, however, where a plaintiff’s allegations were presumed to be true at the
23 pleading stage, but fail on summary judgment if not supported by evidence. While plaintiffs
24 certainly could have elected to obtain and submit additional evidence, they were not obligated to
25 do so. Plaintiffs’ standing was previously established based on the declarations they submitted in
26 opposition to the motions to dismiss, and nothing has changed since then to undermine those
27 declarations.
28

1 The parties submitted supplemental briefing following the Supreme Court's recent
2 decision in *Food & Drug Admin. v. All. for Hippocratic Med.*, 602 U.S. 367 (2024). In that case, a
3 unanimous court had little trouble concluding several pro-life doctors and associations lacked
4 standing to challenge decisions by the FDA to relax restrictions on mifepristone, a drug used to
5 induce abortions.

6 The court observed that when a plaintiff challenges the government's "unlawful regulation
7 (or lack of regulation) of someone else," standing can be harder to establish. 602 U.S. at 382.
8 "That is often because unregulated parties may have more difficulty establishing causation—that
9 is, linking their asserted injuries to the government's regulation (or lack of regulation) of someone
10 else." *Id.* The court further explained the causation requirement "precludes speculative links—that
11 is, where it is not sufficiently predictable how third parties would react to government action or
12 cause downstream injury to plaintiffs." *Id.* at 383.

13 Here, the causation chain is not unduly tenuous or speculative. It is reasonable to assume
14 that Elanco will respond, and has responded, to the approval of Exuperior by marketing it
15 nationwide, and that it will find a market of buyers, likely expanding over time. It is virtually
16 certain that the purchasers will use the drug once they have purchased it to treat their cattle.
17 Although there is uncertainty regarding how widespread use of Exuperior will become and when
18 and whether particular members of the plaintiff organizations will encounter it, there is a direct
19 line between the challenged government action and the harms plaintiffs allege their members will
20 suffer. Plaintiffs have made an adequate showing that their members possess "personal stakes" in
21 this matter, thereby satisfying the principles that "courts decide litigants' legal rights in specific
22 cases, as Article III requires, and that courts do not opine on legal issues in response to citizens
23 who might roam the country in search of governmental wrongdoing." 602 U.S. at 379.

24
25 B. Materials outside the administrative record

26 As noted, the role of the court in an APA case is to determine whether the evidence in the
27 administrative record permitted the agency to make the challenged decision. As a result,

1 “[j]udicial review of an agency decision typically focuses on the administrative record in existence
2 at the time of the decision and does not encompass any part of the record that is made initially in
3 the reviewing court.” *Lands Council v. Powell*, 395 F.3d 1019, 1029–30 (9th Cir. 2005) (quoting
4 *Southwest Ctr. for Biological Diversity v. United States Forest Serv.*, 100 F.3d 1443, 1450 (9th
5 Cir. 1996)). There are, however, “narrow exceptions to this general rule.” *Lands Council*, 395 F.3d
6 at 1030.

7 Specifically, the court is permitted to admit extra-record evidence: “(1) if admission is
8 necessary to determine whether the agency has considered all relevant factors and has explained
9 its decision, (2) if the agency has relied on documents not in the record, (3) when supplementing
10 the record is necessary to explain technical terms or complex subject matter, or (4) when plaintiffs
11 make a showing of agency bad faith.” *Id.* (internal citations and quotation marks omitted). The
12 *Lands Council* court cautioned, “these exceptions are narrowly construed and applied Were
13 the federal courts routinely or liberally to admit new evidence when reviewing agency decisions, it
14 would be obvious that the federal courts would be proceeding, in effect, *de novo* rather than with
15 the proper deference to agency processes, expertise, and decision-making.” *Id.*

16 To support their motion for summary judgment, plaintiffs have offered a 43-page
17 declaration of a putative expert witness, Dr. John Tegzes. Plaintiffs contend the declaration may
18 be considered under the *Lands Council* exception for materials “necessary to determine whether
19 the agency has considered all relevant factors” and/or the exception for information “necessary to
20 explain technical terms or complex subject matter,”

21 Plaintiffs likely could have simply filed the Tegzes declaration with their motion, leaving it
22 to defendants to argue in their oppositions that it should not be considered, in whole or in part.
23 Perhaps in anticipation of a motion to strike, however, plaintiffs filed a prophylactic “motion to
24 consider materials outside the administrative record,” noticed to be heard concurrently with the
25 cross-motions for summary judgment.

26 Defendants’ request to have the propriety of the Tegzes declaration decided in advance of
27 the summary judgment motion was denied. Accordingly, defendants moved to strike the
28

1 declaration, *and* offered two rebuttal declarations, to be considered if the Tegzes declaration were
2 not stricken. Plaintiffs, in turn, sought to strike the rebuttal declarations, contending they stand on
3 a different footing than the Tegzes declaration, and are not admissible under any *Lands Council*
4 exception.

5 Upon review, the Tegzes declaration is not admissible, as it is not “necessary” for either of
6 the purposes for which plaintiffs offer it. To the extent the declaration includes legal conclusions
7 and opinions, those would not be appropriate subjects for expert testimony even outside the
8 context of an APA action. To the extent Tegzes’ arguments, factual assertions, and conclusions are
9 directed towards having the court substitute its scientific judgment for that of the FDA, they are
10 improper.

11 That said, plaintiffs are not precluded from raising in attorney argument any or all of the
12 same alleged deficiencies in the FDA’s approval process that Tegzes identified, or from using his
13 explanations of any technical terms or complex subjects. Indeed, it does not appear the Tegzes
14 declaration offers much, if any, factual matter that is not in the administrative record. To the extent
15 there are any such facts, plaintiffs have not shown they are admissible under the *Land’s Council*
16 exceptions. The declaration primarily consists of arguments that plaintiffs are free to make, but
17 which do not turn on evidence outside the record. *See Southwest Center for Biological Diversity v.*
18 *U.S. Forest Serv.*, 100 F.3d 1443, 1451 (9th Cir. 1996) (“The information contained in these
19 documents can either be extracted from the [administrative] record or is not necessary to this
20 court’s review of the [agency’s] action. Although the documents [plaintiff] seeks to include might
21 have supplied a fuller record, they do not address issues not already there.” (internal quotations
22 omitted)). Accordingly, the Tegzes declaration and the FDA’s rebuttal declarations will not be
23 admitted.

24
25 C. Deference

26 Plaintiffs contend the FDA’s determinations in this matter are not entitled to the deference
27 they otherwise would be, because when it approved Experior “based on its environmental effects,”
28

1 it was acting outside its special expertise. *See Center for Biological Diversity v. Bernhardt*, 982
2 F.3d 723, 740 (9th Cir. 2020) (“deference applies only when the agency is making predictions
3 ‘within its area of special expertise’”) (quoting *Balt. Gas & Elec. Co. v. Nat. Res. Def. Council,*
4 *Inc.*, 462 U.S. 87, 103 (1982)).

5 FDA insists it *does* have “special expertise in scientifically evaluating the safety,
6 effectiveness, and environmental impact of a new animal drug” and that its determination is
7 entitled to heightened deference. The deference rule is intended to spare courts from “act[ing] as a
8 panel of scientists, instructing the agency, choosing among scientific studies, and ordering the
9 agency to explain every possible scientific uncertainty.” *Lands Council v. McNair*, 629 F.3d 1070,
10 1074 (9th Cir. 2010) (quotation omitted).

11 If the question before the FDA was whether Exuperior was effective in reducing the impact
12 of commercial beef operations on the atmosphere, it might implicate the expertise of the EPA
13 more so than that of the FDA. The intended use for which Exuperior was approved, however, is the
14 “reduction of ammonia gas emissions per pound of live weight and hot carcass weight.” While it
15 may be the case that the *reason* beef producers would be interested in reducing ammonia gas
16 emissions is to lower the impact of their operations on the atmosphere, the FDA did not address
17 that issue, so its level of expertise on the point is irrelevant.

18 Furthermore, it cannot reasonably be disputed that the FDA’s responsibility for evaluating
19 the safety of new drugs routinely requires it to consider environmental impacts. For example, in
20 this case the FDA looked at the risks imposed by residual Exuperior in the environment to
21 soil microorganisms, plants such as corn, radish, perennial ryegrass, soybean, tomato, and wheat,
22 earthworms, algae, water flea, and rainbow trout. AR112747-51, AR112755-56.

23 Accordingly, the FDA did not act outside its areas of statutory responsibility and expertise,
24 and there is no basis to give it lesser deference in this matter. That said, none of the conclusions in
25 this order rely on any particularly “heightened” deference to the FDA.

26
27
28

1 D. Efficacy

2 When evaluating new animal drug applications, the FDA determines whether there is
3 “substantial evidence that the drug will have the effect it purports or is represented to have under
4 the conditions of use prescribed, recommended, or suggested in the proposed labeling.” 21 U.S.C.
5 § 360b(d)(1)(E); *see also* 21 C.F.R. § 514.1(b)(8). The FDCA further defines substantial evidence
6 as “evidence consisting of one or more adequate and well controlled investigations”—e.g., “a
7 study in a target species” or “a study in laboratory animals”—that are conducted by qualified
8 experts and “on the basis of which it could fairly and reasonably be concluded by such experts that
9 the drug will have the [purported or represented] effect” under the labeled conditions. 21 U.S.C. §
10 360b(d)(3); *see also* 21 C.F.R. § 514.4(a). FDA’s regulations clarify that “adequate and well-
11 controlled studies” are those which, “as a matter of sound scientific judgment,” are “necessary to
12 establish that a new animal drug will have its intended effect,” 21 C.F.R. § 514.4(a), as described
13 extensively at 21 C.F.R. § 514.117.

14 The FDA found that there was substantial evidence to support approving Exuperior for the
15 “reduction of ammonia gas emissions per pound of live weight and hot carcass weight in beef
16 steers and heifers fed in confinement for slaughter during the last 14 to 91 days on feed.”
17 AR113248; *see also* AR113298-99. The FDA based its conclusion on five “adequate and
18 wellcontrolled” studies involving 536 total animals. *See* AR113248-58. These studies were
19 conducted at Michigan State University using single-animal chambers, AR113249, AR113254;
20 and the University of California, Davis using cattle pen enclosures “designed to mimic feedlot
21 conditions by housing groups of feedlot cattle together,” AR113250. “Given the consistency of
22 response to lubabegron across all five studies, FDA concluded that effectiveness at the minimum
23 duration of 14 days is supported.” AR113258.

24 Plaintiffs insist the record data is inconclusive as to whether Exuperior even has this effect
25 and devoid of a supported explanation of how it would do so. To the extent that plaintiffs continue
26 to mistake effects on the atmosphere with the claimed effect of “reduction of ammonia gas
27 emissions per pound of live weight and hot carcass weight,” it is irrelevant that the FDA did not
28

1 require proof that Experior achieved any particular environmental results (other than the
2 requirement that it not cause significant *harm* to the environment).

3 As mentioned above, Experior is hypothesized to affect cows' nitrogen retention and
4 utilization, but FDA's reviewers state expressly, “[a]lthough this hypothesis is plausible, it has not
5 been supported by evidence.” AR112893; see also AR111886-90, AR112339-40. Plaintiffs
6 contend none of the studies in the record actually show what happens to the nitrogen that would
7 have been excreted and ultimately released as ammonia, thereby undermining any claims of
8 effectiveness. As defendants point out, however, Elanco did not intend to claim Experior was
9 effective to increase muscle mass, so there was no occasion to conduct further studies to confirm
10 the hypothesis as to its mode of action. Plaintiffs ultimately acknowledge there is no legal
11 requirement that a drug's mode of action be known and understood.

12 Plaintiffs also point to FDA's supposed “admission” in the administrative record that
13 Elanco's studies did not demonstrate Experior is effective because they “were not designed to
14 measure or evaluate herd and farm scale emissions.” AR113043, Plaintiffs complain that while
15 Experior is marketed for use in feedlot cattle, the effectiveness studies were done in semi-
16 controlled facilities that were not open to the environment and therefore insulated from factors that
17 will impact ammonia gas emissions such as “temperature, pH, microbial community abundance,
18 wind.”

19 Defendants again observe the intended use of Experior is the “reduction of ammonia gas
20 emissions per pound of live weight and hot carcass weight.” The FDA had reasonably determined
21 published research “support[ed] [Elanco's] assertion that gas emissions should be based on some
22 unit of animal production,” AR37210. Live weight or hot carcass weight was found to be an
23 appropriate unit. *See* AR35087, AR33564. Upon concluding Elanco's studies demonstrated
24 effectiveness on this per-pound basis, the FDA reasonably required the Experior label to disclaim
25 predictions for larger units, which could be affected by other factors: “Ammonia gas emissions
26 were measured for individual animals or small groups of animals held in environmentally
27 controlled facilities. Based on existing information, reliable predictions of the reduction of
28

1 ammonia gas emissions cannot be made on a herd, farm, or larger scale.” AR113262; *see also*
2 AR113043; AR119009-10 (explaining in Stay Petition Response that Experior’s approved use was
3 “not for the reduction of ammonia gas emissions per herd, farm or larger scale”).

4 Apart from contending there were no studies done under feedlot conditions, plaintiffs
5 argue the studies that were done were rife with errors and shortcomings. Plaintiffs identify four
6 main complaints. First, plaintiffs argue that cow feed and water intake were not consistently
7 measured, analyzed, and recorded in studies, such that the results may have been influenced by
8 feed consumption and nutrient variability rather than Experior. Plaintiffs offer specific examples
9 of instances in which there were deviations from the study protocols, and where the FDA
10 acknowledged such deviations presented potential issues.

11 The administrative record, however, shows the FDA adequately addressed those issues.
12 *See, e.g.*, AR94540 (“the impact on the study results should be minimal” because the lapses
13 occurred with similar frequency across all dosage groups, including the control group) AR98014-
14 18 (explaining day-to-day variability in emissions was significant enough to conclude it was
15 “unlikely that changes in emissions [were] due to lapses in ad libitum feed intake alone” and
16 suggesting temperature fluctuation may have contributed).

17 Second, plaintiffs argue, measurements of the effectiveness studies did not account for
18 variables that could influence the results. For example, some studies suggested the cows given
19 Experior consumed less feed and gained more weight faster than control cows. Again, the FDA’s
20 analysis accounted for the possible effects of Experior on feed efficiency and rate of weight gain.
21 Following three preliminary studies concerning effectiveness, the agency concluded that the data
22 “suggests that [lubabegron] affects gas emissions, particularly [ammonia], independently from
23 body weight or weight gain.” AR37207.

24 Third, plaintiffs contend Elanco’s effectiveness studies did not analyze Experior’s effects
25 on volatilized ammonia and nitrogen emissions. To the contrary, the effects on volatilized
26 ammonia is exactly what the studies were intended to, and did, measure. The nitrogen study
27 plaintiffs invoke was done to evaluate possible negative environmental consequences of Experior,
28

1 and does not bear on the efficacy issue. *See* AR112340; *see also* AR112799-800, AR112807.

2 Fourth and finally, plaintiffs suggest the FDA allowed Elanco to “manufacture” evidence
3 of effectiveness by accepting data from two studies despite their use of software that was not
4 compliant with FDA regulations for assuring the integrity of electronically captured data. The
5 software allowed data alteration without creating a record. As the FDA explained, it accepted the
6 data because it concluded “data tampering was unlikely.” Personnel at the study sites “were
7 masked to treatment assignment,” meaning they did not know whether they were in the
8 experimental or control group. AR98001. Without a basis to infer actual data tampering likely
9 occurred, there is no reason to override the FDA’s judgment that the study results were
10 scientifically valid.

11 Accordingly, the FDA reasonably drew conclusions about intended uses and associated
12 conditions of use (or disclaimed them in labeling) based on adequate and well-controlled studies.
13 The FDA’s efficacy finding is not subject to being set aside.

14

15 **E. Safety**

16 When FDA evaluates the “safety” of new animal drugs under the FDCA, its purview
17 includes human food safety, user safety, and target animal safety,. See 21 U.S.C. § 321(u)
18 (indicating “safe” as used in § 360b “has reference to the health of man or animal”). As part of this
19 inquiry, the agency determines whether the evidence “include[s] adequate tests by all methods
20 reasonably applicable to show whether or not [the] drug is safe for use under the conditions
21 prescribed, recommended, or suggested in the proposed labeling.” 21 U.S.C. § 360b(d)(1)(A); *see*
22 *also* 21 C.F.R. § 514.1(8).

23 In approving Exuperior, the FDA reasonably evaluated human food safety. Based on
24 pharmacology, toxicology, and residue chemistry studies, the FDA determined that (1) humans
25 could safely consume an acceptable daily intake (“ADI”) of food from cattle treated with Exuperior
26 and that (2) public health would be protected by setting a tolerance for Exuperior residues in cattle
27 liver tissue. AR113276-98; *see also* 21 C.F.R. § 556.3 (defining ADI as “daily intake which,

1 during up to an entire life of a human, appears to be without adverse effects”).

2 Plaintiffs claim the “most glaring omission” is the absence of any adequate study in the
3 record addressing the drug’s impact on beef consumers. There is little dispute that Exuperior
4 primarily affects the β 3 adrenoceptor. The two human safety studies in the record were conducted
5 in 2002, when lubabegron was being studied for use as a human anti-obesity drug. Those studies
6 only measured β 1 antagonist effects in the heart, because no tool had been “validated” for
7 evaluating β 3 at that time.

8 Plaintiffs contend that by the time Elanco sought FDA approval to market the drug for
9 animal use, it was possible to test β 3-agonist properties in humans. Specifically, the extent of a
10 drug’s β 3-adrenoceptor expression can be measured by studying its impacts on bladder control.
11 Thus, plaintiff contends, to assess Exuperior’s effects on β 3 receptors accurately, Elanco should
12 have performed bladder function tests and not relied on changes in blood pressure and heart rate as
13 clinical endpoints.

14 As defendants point out, Exuperior’s safety for beef consumers was evaluated through a
15 panoply of approaches—laboratory animal studies included, *inter alia*, clinical observations,
16 clinical pathology, and urinalysis. Human studies included, *inter alia*, physical examination,
17 clinical chemistry, and urinalysis, as well as responses from test subjects. A safety factor was
18 calculated. The safety factor “reflects uncertainties associated with the extrapolation of data and
19 information,” including from “animal data to humans” and due to “variability in sensitivity to the
20 toxicity of the new animal drug among humans.”

21 Plaintiffs’ insistence that bladder control testing could and should have been done to
22 evaluate possible effects of the drug as a β 3-agonist is unavailing. APA review does not require or
23 permit a court to second-guess an agency’s judgment on such an issue. The court’s role is to
24 determine whether the record evidence supports the agency decision, not to dictate the details of
25 how the agency evaluates what specific testing is required.

26 Plaintiffs also argue FDA failed to consider risks to farmworkers who directly handle
27 Exuperior. The drug’s Safety Data Sheet states it “[c]auses eye burns” and “may cause damage to

1 organs through prolonged or repeated exposure” as well as other symptoms and chronic effects.
2 Experior’s label warns that “[i]ndividuals with cardiovascular disease should exercise special
3 caution to avoid exposure,” and instructs individuals to “use protective clothing, impervious
4 gloves, protective eyewear, and a NIOSH approved dust mask” when mixing and handling
5 Experior.

6 The existence of those warnings supports concluding the FDA *did* consider, and
7 appropriately address, risks to farmworkers. Plaintiffs, however, seize on an observation in the
8 record that “feedlot cowboys rarely use impervious gloves, protective clothing, dust masks, and
9 goggles during their normal workday activities in the feed lot setting (especially in really hot
10 weather).” Without more, however, the possibility of injuries arising from misuse does not support
11 a conclusion that the product is so unsafe as to preclude approval.

12 Finally, plaintiffs contend questions remain as to whether Experior is safe for the cows.
13 Plaintiffs offer a laundry list of potential negative health consequences they contend were not
14 adequately investigated. Defendants again have identified the conclusions and reasoning set out in
15 the record to support the FDA’s determination that those concerns did not rise to a level
16 precluding the conclusion that Experior is safe. The FDA’s safety finding is not subject to being
17 set aside.

18

19 F. NEPA

20 NEPA requires an agency to prepare an Environmental Impact Statement (EIS) whenever
21 proposing to take “major Federal actions significantly affecting the quality of the human
22 environment.” 42 U.S.C. § 4332(2)(C). To determine whether an EIS is required, an agency first
23 prepares an Environmental Assessment (EA), which results in either a decision to prepare a more
24 thorough EIS or a Finding of No Significant Impact (FONSI). 40 C.F.R. §§ 1501.4(b),
25 1508.9(a)(1).

26 Judicial review of decisions under NEPA is governed by the APA. *Bark v. U.S. Forest*
27 *Serv.*, 958 F.3d 865, 869 (9th Cir. 2020). Importantly, “[n]either the statute nor its legislative

1 history contemplates that a court should substitute its judgment for that of the agency as to the
2 environmental consequences of its actions.” *Kleppe v. Sierra Club*, 427 U.S. 390, 410 n.21 (1976).
3 Accordingly, the “only role for a court” is to ensure that the agency “has taken a ‘hard look’ at
4 environmental consequences.” *Id.* “In reviewing an agency’s finding that a project has no
5 significant effects,” courts ask whether the agency met that “hard look” requirement, “based [its
6 decision] on a consideration of the relevant factors, and provided a convincing statement of
7 reasons to explain why a project’s impacts are not significant.” *Bark*, 958 F.3d at 869 (internal
8 citation omitted); *see also, Inst. for Fisheries Res.*, 499 F. Supp. 3d 657, 665 (N.D. Cal. 2020)
9 (quoting *Blue Mountains Biodiversity Project v. Blackwood*, 161 F.3d 1208, 1211 (9th Cir. 1998)).

10 Congress enacted NEPA to ensure that agencies have detailed information about
11 significant environmental impacts when they make decisions and to ensure that this information
12 will be available to the public. *Robertson v. Methow Valley Citizen’s Council*, 490 U.S. 332, 349
13 (1989). “NEPA does not provide substantive protections, only procedural ones—it exists to ensure
14 a process.” *Conservation Cong. v. Finley*, 774 F.3d 611, 615 (9th Cir. 2014) (internal quotation
15 marks omitted).

16 Here, the EA prepared by FDA resulted in a FONSI. Plaintiffs insist it is absolutely
17 irreconcilable for FDA to approve a drug based on its alleged environmental effects, but then to
18 conclude it will not actually impact the environment. Plaintiffs point to the FONSI itself, which
19 states, ““it is currently not possible to assess the significance of the environmental impacts due to
20 the reduction of ammonia gas emissions from use of Exuperior” and “the magnitude and effects of
21 ammonia gas reductions cannot be quantified.””

22 Once again, plaintiffs are conflating the issue of whether Exuperior will function to lower
23 the ammonia gas emissions from commercial beef production with a narrower question, in this
24 instance whether Exuperior will “significantly affect the quality of the human environment” in
25 other ways.⁴ The FONSI reflects a judgment that any reduction of ammonia gas emissions would

27 ⁴ Plaintiffs contend if FDA found that lubabegron was “effective” for purposes of the FDCA, then
28 the drug’s impacts “necessarily must” also be “significant within the meaning of NEPA.” This

1 not be “significant” because it would, at most, only offset some of the negative environmental
2 consequences of commercial beef productions. The failure of the FONSI to quantify that benefit
3 is not a basis to reject the FDA’s conclusion.

4 Moreover, the FDA carefully evaluated whether a generally beneficial reduction in
5 ammonia gas emissions might nonetheless have negative side effects. AR112405-06. It was
6 ultimately satisfied that lubabegron’s mode of action—that nitrogen that otherwise would become
7 ammonia was instead retained as muscle protein—was “plausible” and explained how the drug
8 reduced ammonia emissions without adverse environmental impacts. AR111886-88, AR112339-
9 40.

10 The EA also reflects FDA’s careful consideration of other potential environmental
11 consequences that could flow from use of Experior. The FDA applied a risk quotient approach that
12 involves comparing a substance’s predicted environmental concentration (“PEC”) with its
13 predicted no-effect concentration for certain surrogate non-target organisms (“PNEC”).
14 The analysis started by calculating the PNEC of the drug in a variety of organisms: soil
15 microorganisms, plants (corn, radish, perennial ryegrass, soybean, tomato, and wheat),
16 earthworms, algae, water flea, and rainbow trout. AR112747-51, AR112755-56. The EA then
17 calculated PEC values for manure, soil, and surface water.

18 Dividing PEC by PNEC for each organism, the EA found that the risk quotient value for
19 each organism was less than one, indicating Experior was not expected to have an environmental
20 impact. AR112756-57. The risk quotient values “for the most sensitive species in the terrestrial
21 and aquatic ecosystems were 0.09 (soil microorganisms) and 0.10 (algae).” AR113042. Based on
22 this analysis, the FDA ultimately was able to conclude there was “little or no potential for

23
24
25 argument ignores the plain text of the FDCA and NEPA, which set out different standards for
26 “effectiveness” of a drug and “significan[ce]” of an environmental impact. Compare 21 U.S.C. §
27 360b (concerning effectiveness for a drug’s “intended use”), with 42 U.S.C. § 4332(2)(C)
28 (concerning actions that “significantly affect[] the quality of the human environment”); 40 C.F.R.
29 § 1508.27 (defining “significantly”).

1 significant adverse effects on terrestrial and aquatic organisms.” AR113042.

2 Plaintiffs do not claim the FDA’s basic approach was unsound, instead they offer a litany
3 of quibbles regarding aspects of the analysis they believe could and should have been done
4 differently. Again, however, a court is not to substitute its judgment for that of the agency as to the
5 environmental consequences of its actions. Defendants have made an adequate showing that the
6 FDA took the requisite “hard look,” consideration of the relevant factors, and provided a
7 convincing statement of reasons. There is no basis to remand for further proceedings under NEPA.

8

9 **G. Sealing motions**

10 Multiple sealing motions have been filed. While the parties devoted substantial efforts to
11 conferring for the purpose of minimizing the amount of material proposed for sealing and
12 narrowing their disputes, the process did not produce either a joint proposed order addressing all
13 of the sealing motions, or a joint proposed order with specified exceptions for items as to which
14 the parties could not agree. As explained in Civil Local Rule 79-5, the public has a right of access
15 to the court’s files. The parties must explore all reasonable alternatives to filing documents under
16 seal, minimize the number of documents filed under seal, and avoid wherever possible sealing
17 entire documents (as opposed to merely redacting the truly sensitive information in a document).
18 Only in rare circumstances should a party seek to file portions of a brief under seal.

19 Here, Elanco is the party seeking to maintain material under seal. It argues, among other
20 things, that much of the material it wants protected was previously treated as non-public,
21 confidential business information during the FDA proceedings. Plaintiffs correctly observe that
22 the standards applied by the FDA are not coextensive with the standards governing what may
23 properly be filed under seal in federal court litigation. That said, Elanco has made a minimally
24 sufficient showing the portions of the administrative record, declarations, and exhibits it seeks to
25 maintain under seal are appropriate for such treatment. Given the stronger policy against sealing
26 briefs, Elanco has not provided a sufficient basis for its requested redactions in the substantive
27 briefing.

28

1 Accordingly, the sealing motions are denied with respect to any and all of the briefs
2 submitted in support of or in opposition to the substantive motions. As to the administrative record
3 and the declarations and exhibits submitted in support of the motions, the sealing motions are
4 granted to the extent proposed by Elanco in Dkt. No. 138-2 and Dkt. No. 136-2, and are otherwise
5 denied. The parties' proposed orders suggested that the Clerk of the Court be instructed to file on
6 the public docket any materials as to which sealing has been denied. Under Rule 79-5, the
7 responsibility for doing so rests with the parties.

8

9

VI. CONCLUSION

10

11

12

13

14

15

16

IT IS SO ORDERED.

17

18

Dated: April 1, 2025

19

20

21

22

23

24

25

26

27

28



RICHARD SEEBOORG
Chief United States District Judge